



MONTGOMERY COUNTY EXECUTIVE ORDER

Office of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Authorizing the issuance of Certificates of Participation, Series 2020	Executive Order No. 110-20	Subject Suffix
Department Department of Finance	Department No. B385-20	Effective Date Sept 23 , 2020

ORDER PROVIDING FOR THE AUTHORIZATION, SALE, ISSUANCE AND DELIVERY OF CERTIFICATES OF PARTICIPATION OF MONTGOMERY COUNTY, MARYLAND IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$160,000,000, SUBJECT TO ADJUSTMENT AS PROVIDED HEREIN; PRESCRIBING THE FORM AND TENOR OF SUCH CERTIFICATES OF PARTICIPATION, AND THE MANNER, TERMS AND CONDITIONS OF THE SALE AND ISSUANCE THEREOF; PRESCRIBING THE TERMS OF SUCH CERTIFICATES OF PARTICIPATION AND ALL OTHER DETAILS INCIDENT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS IN CONNECTION WITH THE ISSUANCE THEREOF; PROVIDING FOR THE PAYMENT WHEN DUE, OF THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE CERTIFICATES OF PARTICIPATION FROM ANNUALLY APPROPRIATED FUNDS; AND PROVIDING GENERALLY FOR THE SALE, ISSUANCE, AND DELIVERY OF SUCH CERTIFICATES OF PARTICIPATION.

RECITALS

A. Montgomery County, Maryland (the "County") has determined pursuant to the Charter of the County (the "Charter") and Chapter 20 of the Montgomery County Code, as amended ("Chapter 20" and together with the Charter, the "Authorizing Legislation") to provide for the issuance and sale of one or more series of its special limited obligation certificates of participation in the aggregate principal amount not to exceed \$160,000,000; and

B. The County Executive of the County (the "County Executive") is authorized to prescribe and determine various matters in connection with the issuance, sale and delivery of the Certificates (as defined below).

NOW, THEREFORE, BE IT ORDERED by the County Executive of Montgomery County, Maryland, that:

Section 1. Pursuant to the authority of the Authorizing Legislation, there is hereby authorized and directed the execution, sale, issuance and delivery of one or more series of certificates designated "Montgomery County, Maryland Certificates of Participation, Series 2020", as such designation may be modified in order to distinguish each series of such certificates, (collectively, the "Certificates"), in the aggregate principal amount not to exceed \$160,000,000.

Section 2. The Certificates shall be issued under and secured by a Trust Agreement between the County and U.S. Bank National Association, as trustee (the "Trustee"), as may be amended and supplemented from time to time (the "Trust Agreement"), substantially in the form attached hereto as Exhibit A, with such further amendments, omissions, insertions, or variations deemed necessary or appropriate by the Chief Administrative Officer of the County (including any County officer serving in such capacity on an acting basis, the "Chief Administrative Officer") and/or the Director of Finance of the County (the "Director of Finance"). The Certificates shall also be issued pursuant to a Funding Agreement between the County and U.S. Bank National Association, as the bank, as may be amended and supplemented from time to time (the "Funding Agreement"), substantially in the form attached



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hereto as Exhibit B, with such further amendments, omissions, insertions, or variations deemed necessary or appropriate by the Chief Administrative Officer and/or Director of Finance. Payments due from the County under the Funding Agreement and debt service payments due for the Certificates shall be subject to annual appropriation by the County Council of the County (the "County Council").

Section 3. The Certificates shall be dated such date, shall bear interest, shall mature, shall have such redemption provisions (including, without limitation, mandatory sinking fund redemption, extraordinary optional redemption and special mandatory redemption provisions) and shall have such other terms and provisions as are set forth in the Trust Agreement. Certificates shall be dated the date of their initial delivery and shall be issuable in registered form in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof. The Certificates will initially be issued in book-entry form without physical distribution of certificates to the public. The Depository Trust Company, New York, New York ("DTC") will act as the securities depository for the Certificates and the Certificates will be registered in the name of Cede & Co., as nominee for DTC. The Certificates when first issued, may be numbered from No. R-1 upward in the order of their maturities or in some other manner which conforms to standard bond registration practices and is acceptable to DTC and the Director of Finance. Registration books for the Certificates shall be maintained by U.S. Bank National Association (the "Certificate Registrar and Paying Agent"), which shall also act as paying agent for the Certificates. The Director of Finance from time to time may designate a bank or other financial institution to serve as Certificate Registrar and Paying Agent upon 30 days' prior written notice to the registered owners of the Certificates.

So long as Cede & Co. is the registered owner of the Certificates, as nominee of DTC, the County and the Certificate Registrar and Paying Agent will send all payments of principal of and premium, if any, and interest on the Certificates and notices to Cede & Co., and consider Cede & Co. as registered owner for all other purposes. Principal payments shall be made to Cede & Co. by check, draft or wire transfer at its address as it appears on the certificate register maintained by the Certificate Registrar and Paying Agent (the "Certificate Register") on the respective payment or redemption dates. Interest shall be paid to Cede & Co. by check, draft or wire transfer at its address as it appears on the Certificate Register, such interest being payable semi-annually on April 1 and October 1 in each year (commencing April 1, 2021), accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the date of initial delivery of the Certificates.

The Certificates shall contain similar provisions to, and be in substantially the form set forth in, Appendix A to the form of Trust Agreement attached hereto as Exhibit A, with such variations deemed necessary or appropriate by the Director of Finance. Certificates issued substantially in accordance with such form, with appropriate insertions, when properly executed and authenticated as required by this Section, shall be deemed to constitute special limited obligation certificates of the County, subject each year to appropriation by the County Council.

Section 4. The Certificates shall be authenticated by the manual or facsimile signature of the Certificate Registrar and Paying Agent.



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Section 5. The proceeds of the Certificates shall be used to (i) finance a portion of the costs of the acquisition, design, construction and equipping, as applicable, of certain real and personal property described in detail and defined as the “Improvements” in the Preliminary Official Statement relating to the Certificates (the “Preliminary Official Statement”), a copy of which is attached hereto as Exhibit C, (ii) prepay certain of the County’s lease obligations under a Master Lease Agreement between the County and PNC Equipment Finance, LLC, and (iii) pay the costs of issuing the Certificates.

Section 6. The Certificates of each series shall mature on such dates and in such amounts, and shall bear interest at such rates, as set forth in the bids for each series of the Certificates selected by the Director of Finance and approved pursuant to a subsequent order. The final maturity of the Certificates shall not be later than October 1, 2041.

Section 7. The redemption provisions applicable to each series of the Certificates shall be determined by subsequent order or orders of the County Executive (or the Chief Administration Officer, acting in the capacity of the County Executive).

Section 8. (a) The Certificates shall be issued, delivered and sold at public sale upon electronic proposals via the BiDCOMP/Parity Competitive Bidding System (“PARITY”) or via such other electronic bidding system as may be determined by subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive), in such manner and for such price or prices, not less than the principal amount thereof and accrued interest thereon, as may be determined by the Director of Finance. The Certificates shall be sold in accordance with the Notices of Sale (as defined below).

(b) The Official Notices of Sale (the “Notices of Sale”) pertaining to each series of the Certificates shall be substantially in the forms set forth in Appendix D to the Preliminary Official Statement attached hereto as Exhibit C, subject to such additions, deletions and amendments as shall be approved by the Director of Finance, publication of such Preliminary Official Statement to constitute conclusive evidence of approval by the Director of Finance, and the terms, provisions and conditions set forth in such form of Notices of Sale are hereby adopted and approved as the terms, provisions and conditions under which and in the manner in which the Certificates shall be sold, issued and delivered at public sale.

(c) The Director of Finance is hereby authorized to cause to be prepared an Official Statement, and any necessary supplements or addenda thereto (the “Official Statement”). The Preliminary Official Statement and the Official Statement shall contain such financial and other data as are customarily found in such publications and as may be deemed appropriate by the Director of Finance. The Director of Finance is further authorized to take such actions on behalf of the County as he deems appropriate or necessary to comply with Rule 15c2-12 (hereinafter defined) in connection with the offering and sale of the Certificates.

(d) The Director of Finance is hereby authorized and directed to publish summaries of the Notices of Sale for the Certificates at least twice in one or more daily or weekly newspapers having a general circulation in Montgomery County, Maryland, the first such publication to be at least ten (10)



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days prior to the date of sale. The summary notices of sale shall be published in substantially the form as approved by the Director of Finance, the publication of such notices to constitute conclusive evidence of the approval of the Director of Finance.

Section 9. Immediately after the sale of the Certificates, the aggregate principal amount of the Certificates to be issued, the interest rate or rates payable on the Certificates, the maturity schedule(s) for the Certificates, the dated date and interest payment dates for the Certificates and the redemption provisions relating to the Certificates, shall be fixed by an executive order of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive), subject to the provisions hereof and in accordance with the terms and conditions of the sale of the Certificates.

Section 10. It is hereby determined that it is necessary and appropriate for the County to execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Act of 1934 ("Rule 15c2-12"), for the benefit of the registered owners from time to time of the Certificates, in order to enable the successful bidders for the Certificates (including any of such bidders' associates constituting "principal underwriters" within the meaning of Rule 15c2-12) to comply with the requirements of Rule 15c2-12. The Director of Finance shall execute and deliver the Continuing Disclosure Agreement substantially in the form attached as Appendix B to the Preliminary Official Statement, with such changes therein as bond counsel to the County may advise.

Section 11. There may be deducted from the gross proceeds received from the sale of the Certificates the cost of advertising, underwriting fees, printing and legal fees and fees of other professionals, and expenses relating to such sale as may be determined by the Director of Finance. There may also be deducted from the gross proceeds of the sale of the Certificates any other incidental expenses relating thereto and the reimbursement of the general tax receipts of the County for any monies previously expended therefrom for the Improvements.

Section 12. The Chief Administrative Officer is hereby authorized by subsequent order, to award the Certificates to the winning bidders for the Certificates in accordance with the Notices of Sale and this Order, and take such other action as deemed necessary or appropriate in connection with the issuance and sale of the Certificates.

Section 13. The Chief Administrative Officer and Director of Finance, and such other officers, employees, and agents of the County are hereby authorized and empowered to approve, execute, and deliver the Trust Agreement, the Funding Agreement, and all instruments, certificates and documents in any manner deemed appropriate by the County Executive, Chief Administrative Officer, and/or Director of Finance and otherwise take any and all such action as may be necessary, proper or required to carry out the authority conferred by this Order, and to effectuate the issuance, sale and delivery of the Certificates.

Section 14. The Chief Administrative Officer and Director of Finance, and such other officers, employees, and agents of the County are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the



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Certificates, as may be necessary or appropriate from time to time to comply with, or to evidence the County's compliance with the covenants set forth in this Order.

Section 15. This Order shall take effect immediately.

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Dated as of this 23rd day of September, 2020.

Marc Elrich
County Executive
Montgomery County, Maryland

List of Exhibits

- Exhibit A – Trust Agreement
- Exhibit B – Funding Agreement
- Exhibit C – Preliminary Official Statement